Alberta weekly economic review

May 11, 2012

Labour force

Alberta job gains hit a nine month high

Alberta posted strong employment growth of 10,700 in April, the largest gain since July 2011. Growth was entirely concentrated in part-time positions, overcoming a drop in full-time jobs. On a year-over-year basis, Alberta created 79,900 jobs and registered the highest growth rate in the country at 3.9%. At the industry level, employment growth varied widely, with gains in oil, gas & forestry (10,900) and manufacturing (6,500) more than offsetting losses in trade (-5,100) and business, building & other support services (-4,700).

April's healthy job gains drove the unemployment rate down 0.4 percentage points to 4.9%, giving Alberta and Saskatchewan the lowest jobless rate in Canada.

Nationally, the labour market once again surprised to the upside, adding 58,200 new positions, led by gains in Quebec and British Columbia. However, due to an increase in the number of people seeking work, the Canadian unemployment rate edged up 0.1 percentage points to 7.3%.

Housing Market

Alberta housing starts climb

Alberta's housing starts rose to 37,300 (seasonally adjusted at annual rate, SAAR), in April, the highest level in four years. Alberta housing starts are on a clear upward trend, posting seven consecutive year-over-year increases, and recording a 50% jump over the first four months of 2011.

Nationally, starts reached the highest level in 5 years in April at 244,900 SAAR. On a year-over-year basis, Canadian housing starts rose 28.8% due to a large increase in condominium starts.

Alberta new house price remains steady

Alberta's new house price index continues to stay relatively flat, rising only 0.8% compared to the same month last year. Since hitting bottom in June 2009, Alberta new home prices have posted a modest 3.0% increase. According to the latest RBC housing affordability index, the combination of flat housing prices, and higher average incomes makes Alberta the most affordable housing market in the country.

Building Permits

Building permits point to a pickup in construction activity

Building permits, an indicator of future construction activity, rose to its highest reading in three months. The value of building permits was $1.2 billion in March, 5.6% above February and a solid 37.5% above March 2011. The strong year-over-year increase was due to growth in both residential (22.7%) and non-residential (64.6%) permits. March's increase puts first quarter permits 7.5% ahead of the same time last year, pointing to stronger construction activity going forward.

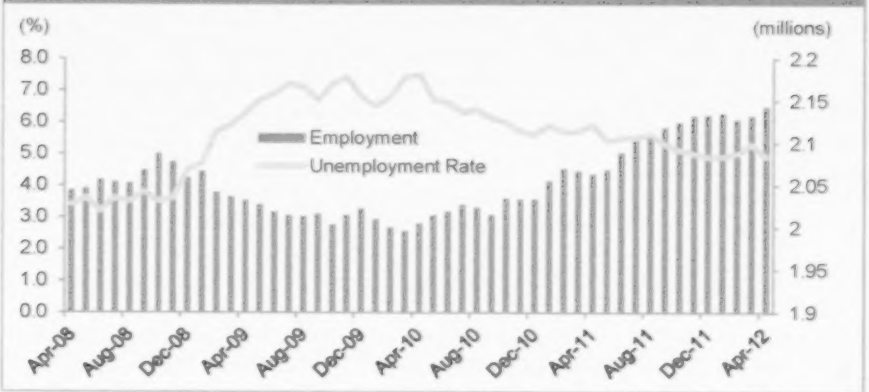
International Merchandise Trade

Alberta exports surge in March

Alberta's exports jumped 14.5% in March, more than reversing February's month over month loss. Exports stand 11.1% above March 2011 levels; however, the pace of year-over-year gains, while still strong, has slowed in recent months mainly due to weaker increases in energy exports.

At the national level, Canada posted a trade surplus for the 5th straight month in March, the longest string of positive trade balances since before the recession. The widening of the surplus to $351 million was caused by imports falling at a faster rate (-0.6%) than exports (-0.4%).

Alberta Labour Market



Closing Prices	May 3, 2012	May 10, 2012	2011–12 Fiscal YTD
Canadian Dollar ($US/$CAN)	101.54	99.80	100.70
WTI Oil ($US/bbl)	$102.54	$97.08	$102.47
NYMEX Natural Gas ($US/MMBtu)	$2.07	$2.49	$2.13

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Nov	Dec	Jan	Feb	Mar	Apr
Population (000's)	3,721	3,779	3,818			3,816			
% change	1.3	1.6	2.0			2			
Net Interprovincial Migration (level)	2,183	13,660	9,146			6,010			
Net International Migration (level)	21,531	14,000	13,877			6,291			
Net Non-permanent Residents (level)	77	-7,986	2,430			105			
Labour Market									
NEW: Employment (000's)	2,017	2,094	2,134	2,142	2,136	2,126	2,138	2,153	2,141
% change	0.4	3.8	3.4	4.9	4.9	3.9	3.8	3.1	3.3
NEW: Unemployment Rate (%)	6.5	5.5	5.0	5.0	4.9	4.9	4.8	4.8	4.9
NEW: Participation Rate (%)	72.9	73.7	73.9	73.9	74.0	74.1	73.7	74.0	73.9
Average Weekly Earnings ($)	966	1,039.5	1,056.8	1,049.9	1,064.8	1,056.1	1052.57		
% change	4.5	4.7	2.6	3.9	4.4	2.1	2.1		
Price Indices									
Consumer Price Index	1.0	2.4	2.2	1.2	1.9	2.9	1.9	1.7	
Excluding food and energy	0.6	0.8	1.3	1.5	1.2	1.4	1.0	1.5	
Non-Res. Building Const. Price Index[2]	0.1	3.4			4				
Farm Product Price Index	3.9	17.4	5.0	12.6	10.3	7.1	2.9		
Crops	-14.5	19.1	-2.8	4.7	1.8	-0.8	-4.7		
Livestock	5.7	17.2	12.4	19.4	17.6	15.0	10.0		
Household Sector									
Housing Starts (SAAR, 000's)	26.9	25.5	32.7	30.1	25.8	25.9	32.1	40.5	47.3
% change	34.5	-5.3	54.2	45.6	36.2	34.2	42.7	69.9	68.9
Housing Price Index[3]	0.5	0.4	0.5	0.4	0.5	0.7	0.2	0.6	
Edmonton	0.8	0.9	0.7	1.1	1.2	1.3	0.1	0.8	
Calgary	1.7	0.1	0.4	0.2	0.1	0.1	0.4	0.8	
MLS Average Resale Price ($ 000's)	360.9	362.7	364.2	355.6	351.0	343.0	360.5	389.6	
% change	3.1	0.5	8.3	0.1	0.2	5.2	1.2	2.9	
Edmonton ($ 000's)	326.5	326.5	330.5	318.0	326.0	325.2	334.5	331.7	
% change	2.3	8.7	2.8	3.9	1.3	0.7	4.8	3.0	
Calgary ($ 000's)	397.4	401.9	398.6	390.1	402.4	388.5	410.5	406.8	
% change	3.4	1.1	-1.2	0.2	1.2	6.2	3.5	2.2	
Retail Sales	6.0	7.0	10.0	4.3	7.9	11.0	9.1	12.1	
New Motor Vehicle Sales	9.5	9.6	18.5	13.5	12.4	21.9	19.1	20.5	
NEW: Consumer Bankruptcies (level)	8,150	7,029		577	483				
% change	-18.4	-13.8		13.5	6.9				
Business Sector									
Rig Drilling (level)	207	285	336	530	566	401	459	568	741
% change	61.3	37.9	4.7	19.3	25.8	7.0	9.9	7.5	14.4
NEW: Goods Exports (customs based)	15.4	18.3	14.5	20.5	15.7	15.4	12.1	11.1	
Energy	17.2	19.2	15.4	31.4	16.7	15.6	12.6	13.2	
Agriculture	14.4	21.4	23.9	31.7	30.3	27.4	18.4	25.9	
Total Farm Cash Receipts (quarterly)	3.9	16.2				22.5			
Manufacturing Shipments	11.0	38.0	17.5	26.7	10.3	16.0	19.4		
Wholesale Trade	10.8	14.8	16.3	17.1	15.7	15.6	17.0		
NEW: Building Permits	2.1	11.2	7.5	10.7	48.6	33.4	22.0	97.5	
Residential	24.7	4.7	31.3	30.0	30.6	24.2	50.7	22.7	
Non-residential	19.0	20.4	14.6	10.1	67.1	51.7	62.9	64.6	
NEW: Business Bankruptcies (level)	376	264		19	18				
% change	6.7	30.2		0.0	50.1				

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year-over-year percentage change.

[2] Quarterly, annual numbers are presented on a common year basis (July 1 – June 30).

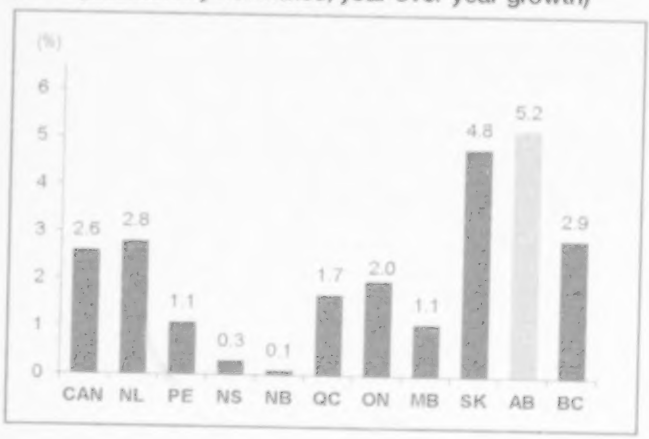
[3] Quarterly average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

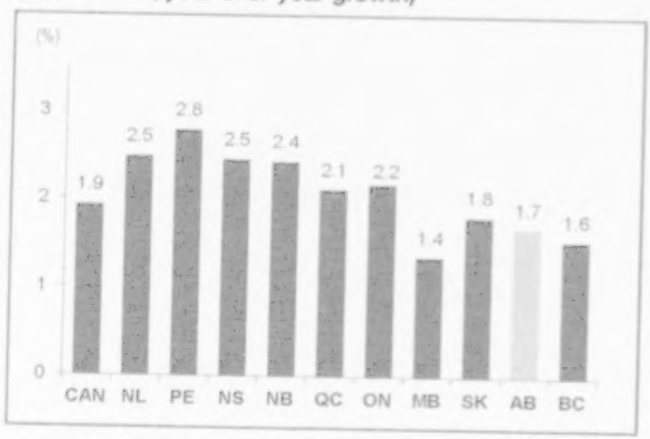
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

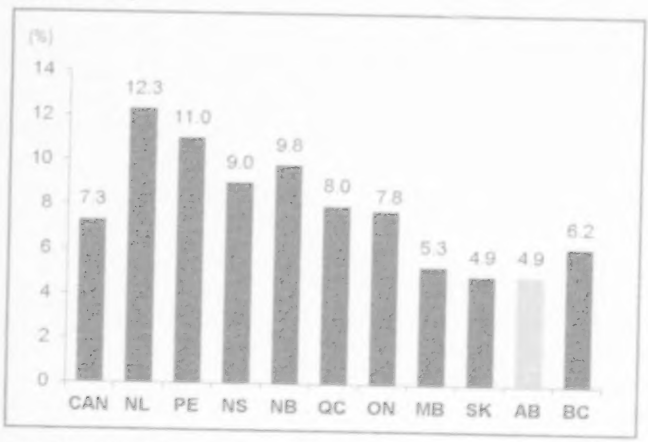
Real GDP Growth by Industry
(2011 prelimenary estimates, year-over-year growth)



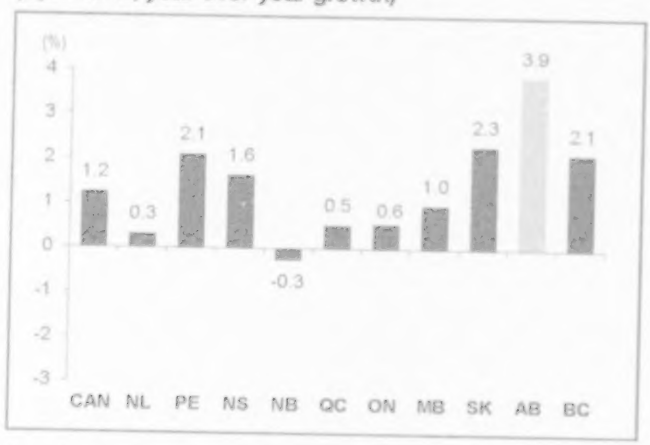
CPI Inflation
(March 2012, year-over-year growth)



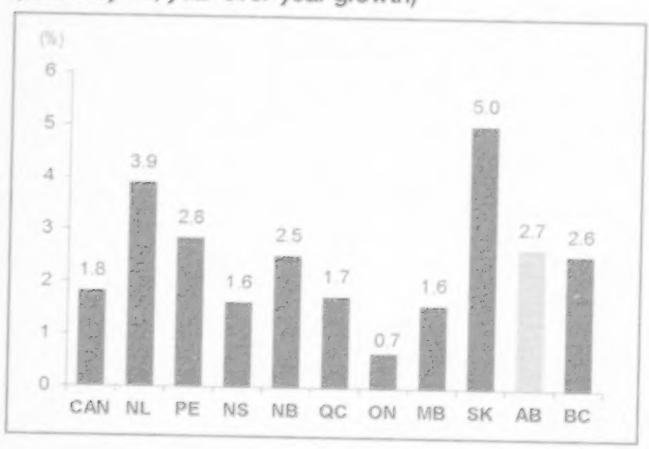
Unemployment Rate
(April 2012)



Employment
(April 2012, year-over-year growth)



Average Weekly earnings
(February 12, year-over-year growth)



Housing Starts
(April 2012, SAAR, year-over-year growth)